

4251 Central Avenue, #1  
Great Falls, MT 59405-1629  
January 11, 2007

Honorable Mike McGrath  
Attorney General  
Montana Department of Justice  
P.O. Box 2011401  
Helena, MT 59620-1401

In re: Urgent need to eliminate COPA for Benefis Healthcare

Dear Attorney General McGrath:

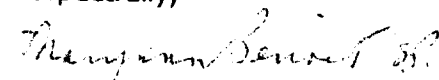
As a local resident as well as a Sister of Providence, I follow closely any matters that involve Benefis Healthcare. Because I belong to the congregation of women religious that owned/operated or sponsored Columbus Hospital and the later Benefis Healthcare for just over 100 years, I am gratified each time I see or hear evidence that Benefis under the current administration continues the legacy of compassionate care bequeathed by the former sponsors.

For the above reasons, I wish to register my ardent hope and request for the State's cessation of the COPA restraints that now threaten Great Falls' only full-service hospital with diminished income and limitations on appropriate expansion.

One could construe a bias favoring for-profit, doctor-owned hospitals in view of the speedy granting of approbation for a local such facility, while simultaneously failing even to reconsider the COPA imposition on not-for-profit Benefis after its fifth year and more as a merged entity.

Now that national attention has been drawn to the negative financial impact of doctor-owned, for-profit healthcare institutions on not-for-profit facilities (cf. TIME, December 11, 2006), certainly Benefis deserves respect for its meriting a plethora of awards for excellence while working within the constraints of COPA. No longer the sole hospital in Great Falls, Benefis must now be freed from the constrictions that make the present situation an uneven playing field. The likelihood of cherry-picking of patients to the financial advantage of the doctor-owned, for-profit hospital imperils Benefis's ability to continue thriving at its high level of quality healthcare and to offer the breadth of health services needed by the regions and clients it serves. The time has come to relieve Benefis Healthcare of the time-consuming oversight and limitations COPA places on the administration and staff.

Respectfully,

  
Sister Maryann Benoit, S.P.

C: John Goodnow, Benefis CEO

**DIOCESE OF GREAT FALLS BILLINGS**

*Founded 1904*

January 10, 2007

Attorney General Mike McGrath  
Montana Department of Justice  
P O Box 201401  
Helena MT 59620

Dear Attorney General McGrath,

I am writing in support of the elimination of the Certificate of Public Advantage (COPA) for Benefis Healthcare in Great Falls.

Benefis is a faith-based, not-for-profit, mission-driven hospital, committed to serving everyone in need of medical care. Benefis operates 502 licensed beds, and serves 225,000 residents within a 45,000 square mile region – one of the poorest regions in the state of Montana.

Benefis treats 21% of Montana's Medicaid patients, and averaged 33 Medicaid inpatient stays per day in 2004. Last year, Benefis Healthcare recorded 2,256 Medicaid inpatient stays, and lost over \$5 million on these stays alone.

As a mission-driven provider, Benefis provides millions of additional dollars in charity care for patients with no means to pay. Last year, Benefis spent \$7 million to provide care for the poor in this region. This year Benefis has only deepened its commitment to charity care, exceeding last year's expenditures by \$1 million.

In addition to planned charity care, Benefis writes off approximately \$94 million annually in un-recovered costs from patients who cannot afford to pay their medical bills. This includes uninsured or underinsured populations as well as those covered by Medicaid or Medicare.

Benefis has also gone to great lengths to serve our Native American population. Just this past year, Benefis opened the first and only Native American Welcoming Center in any hospital in the state of Montana. This center provides a place of solace, meditation and worship for patients as well as their friends and families during times of illness and hardship.

Benefis has also demonstrated its commitment to Native American patients financially, writing off approximately \$14 million in un-recovered costs annually – when patients or their families are unable to pay their medical bills.

And as the community's only not-for-profit hospital, Benefis provides a full range of services including an ER, ICU, NICU, mental health, air ambulance, and other

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services that lose money every year. Benefis continues to provide these services because of its commitment to the residents of Great Falls and the surrounding area, but it is only able to do so by subsidizing these activities with dividends from other revenue-generating services.

Due to new market competition, these dividends are already shrinking, and will continue to do so, thus presenting thorny challenges for Benefis in the future. If Benefis is to meet this new challenge of competition, it must be allowed to function as all other hospitals in the state of Montana – unfettered and free from the needless regulations of the COPA.

Although COPA was created in lieu of competition ten years ago, it is clearly defunct in purpose today. And though the need for COPA no longer exists, COPA's effects are soon to be increasingly punitive, especially as Benefis prepares to enter the bond market.

The Great Falls community relies heavily upon its only full-service hospital, and the future viability of Benefis is a community concern. Please consider that COPA provides no net benefit for the residents of Great Falls, and in fact jeopardizes our only mission-driven, not-for-profit hospital. Benefis Healthcare delivers high quality care to all, and is a community asset we cannot afford to lose.

Thanking you for your attention in this matter, I am

Sincerely yours,



Very Rev. Jay H. Peterson  
Diocesan Administrator

✓ BCC. Mr John Goodnow